



THABA CHWEU LOCAL MUNICIPALITY 2015/16 TO 2017/18 DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK



Thaba Chweu Local Municipality
Cnr Viljoen & Sentraal Lydenburg
1120

013 235 7300

013 235 2096

3/31/2015



THABA CHWEU LOCAL MUNICIPALITY

VISION

Thaba chweu Local Municipality vision is to be a Tourism home to the scenic wonders of Africa

MISSION STATEMENT

Thaba Chweu municipality mission is to provide tourism based developmental local government by rendering:

- World class Quality Service
- Socio and Economic Development
- A Safe and Healthy Environment
- Public Participation
- Tourism Enhancement.



THABA CHWEU LOCAL MUNICIPALITY

DRAFT BUDGET 2015/2016 – 2017/2018

INDEX

Description

PART 1 DRAFT BUDGET SUMMARY

- 1.1 Executive Summary
- 1.2 Summary of Statement of Financial Performance
- 1.3 Frequency Table of Total Revenue by Source
- 1.4 Frequency Table of Cost Drivers
- 1.5 Capital Expenditure
- 1.6 Summary of Opex and Capex per department
- 1.7 Tariff Structures
- 1.8 Resolution on approval of the annual budget

PART 2 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015/2016 (A1 SCHEDULE)

Table A1	-	Budget Summary
Table A2	-	Budget financial performance by vote
Table A3	-	Budget financial performance by revenue source & expenditure vote
Table A4	-	Budget financial performance by revenue source & expenditure type
Table A5	-	Budgeted capital expenditure
Table A6	-	Budgeted financial position
Table A7	-	Budgeted cash flow

PART 3 MUNICIPAL MANAGER DRAFT BUDGET QUALITY CERTIFICATE



PART 1

DRAFT BUDGET SUMMARY



1.1 Executive Summary

In terms of section 16 (1) of the MFMA, the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year;

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 18(1) (a) states that an annual budget may only be funded from realistically anticipated revenues to be collected.

Section 23 (1) states that when the annual budget has been tabled, the municipal council must consider views of-

- (a) The local community
- (b) The national treasury, the provincial treasury and any provincial or national organ of state or municipalities which made submissions on the budget.

In terms of section 24 (1) of the MFMA, The municipal council must at least 30 days before the start of the Budget year consider approval of the annual budget.

Section 24 (2) (a) of the MFMA prescribes that an annual budget must be approved before the start of the budget year

(b) Is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i) and

(c) Must be approved together with the adoption of a resolution as may be necessary.

It for is of the out most importance that TCLM Management be presented with the draft of the annual budget before it is table for approval by council.

In terms of section 16 of the MFMA the municipality must table its draft budget and IDP for the 2015/16 FY no later than 90 days before the start of the new financial year together with the Budget related policies and its Tariffs thereof. It is particular important to ensure that proper arrangements for the review of the IDP and Budget are conducted accordingly; therefore the Executive mayor and the municipal manager need to carefully consider the time schedule for the review of the Budget and IDP through public participation

Thaba Chweu Local Municipality's draft budget is prepared in accordance with all legislations and prescripts and also in line with the National Treasury guidelines as well as circular 48, 51, 54, 55, 66, 67, 70, 74 and 75.

The draft budget is guided by the Medium Term Revenue and Expenditure Framework tabled by the Minister. The Medium Term Budget Policy Statement 2014 highlighted that the country's weaker than expected economic performance and outlook posed new fiscal challenges and lowering the expenditure ceiling is one of the measures implemented. Therefore decreases in indicative baselines will be allocated proportionately across national, provincial and local government according to their share of national revenue.

In the case of local government, reductions will only be made to conditional grants and not to the local equitable share. Reductions will be spread across the grants and larger reductions will be applied to grants that have a history of underspending and non-infrastructure.

Thaba Chweu Local Municipality will gradually increase the budget for infrastructure repairs and maintenance spread over the MTREF; This will result in TCLM meeting the National Threshold of 15 % of the total budget spent towards repairs and maintenance.

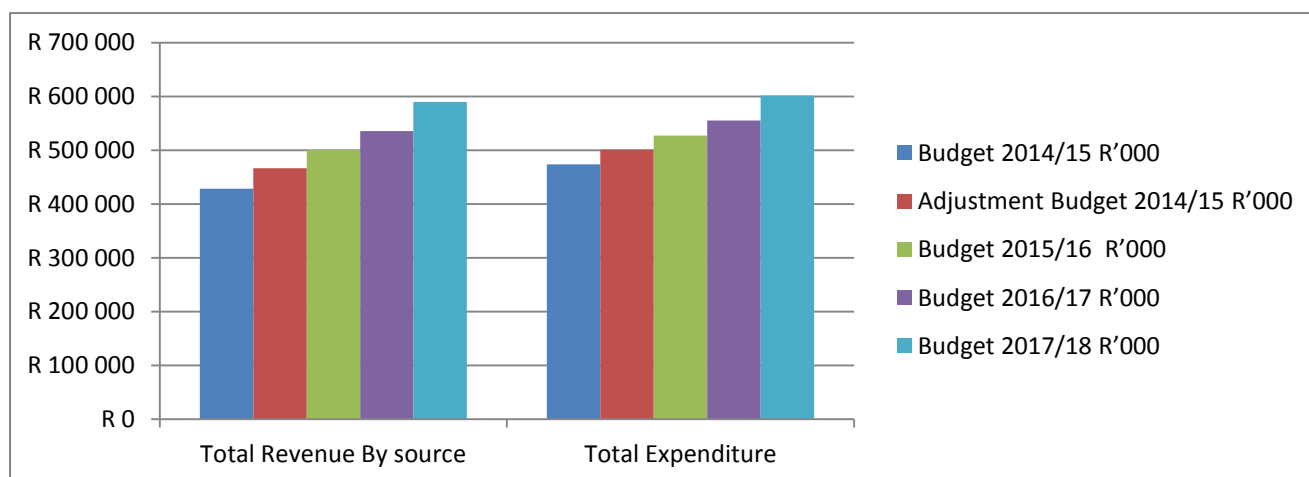
Other measures implemented will be the curbing of expenditure related to non-service delivery areas. Nice to have expenditure such as Events and functions, Excessive travel and accommodation and telephone costs have been reduced.

The Municipality continuously strive to provide better service delivery to the community of Thaba chweu by implementing improved and better measures. Below is a summary of the draft budget 2015/2016.



1.2 Statement of Financial Performance

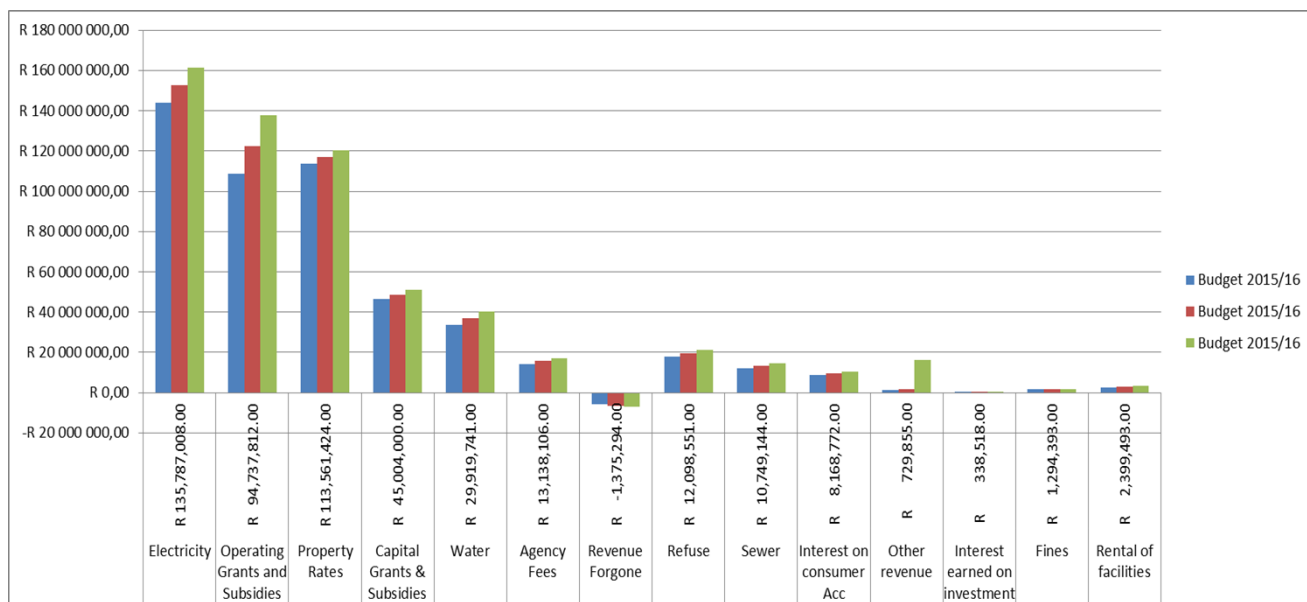
Summary Statement of Financial Performance					
Description	Budget 2014/15	Adjustment Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
	R'000	R'000	R'000	R'000	R'000
Total Revenue By source	R 428 362	R 466 674	R 500 482	R 535 717	R 589 820
Total Expenditure	R 473 794	R 500 945	R 527 123	R 554 994	R 601 584
Surplus/(Deficit)	-R 45 432	-R 34 271	(26 640)	-R 19 277	-R 11 764





1.3. Frequency Table of Total Revenue by Source

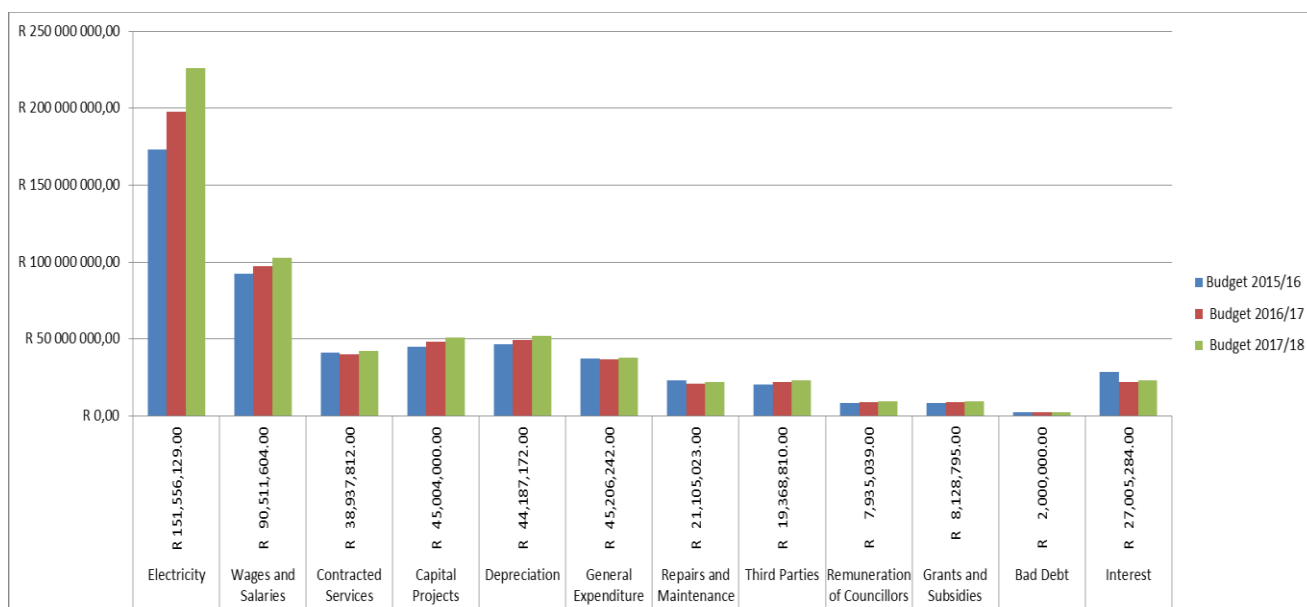
Revenue Source	by Adjustment Budget 2014/15	Budget 2015/16	Budget 2015/16	Budget 2015/16
Electricity	R 135,787,008.00	R 144 172 722,00	R 152 534 740,00	R 161 381 755,00
Operating Grants and Subsidies	R 94,737,812.00	R 108 716 000,00	R 122 275 000,00	R 137 804 000,00
Property Rates	R 113,561,424.00	R 113 561 424,00	R 116 968 267,00	R 120 477 315,00
Capital Grants & Subsidies	R 45,004,000.00	R 46 647 000,00	R 48 444 000,00	R 51 138 000,00
Water	R 29,919,741.00	R 33 830 039,00	R 36 959 317,00	R 40 378 054,00
Agency Fees	R 13,138,106.00	R 14 353 381,00	R 15 681 069,00	R 17 131 568,00
Revenue Forgone	R -1,375,294.00	-R 5 905 631,00	-R 6 357 674,00	-R 6 848 702,00
Refuse	R 12,098,551.00	R 17 736 989,00	R 19 377 660,00	R 21 170 094,00
Sewer	R 10,749,144.00	R 12 283 262,00	R 13 419 463,00	R 14 660 764,00
Interest on consumer Acc	R 8,168,772.00	R 8 924 383,00	R 9 749 889,00	R 10 651 753,00
Other revenue	R 729,855.00	R 1 444 223,00	R 1 577 813,00	R 16 384 131,00
Interest earned on investment	R 338,518.00	R 358 829,00	R 380 358,00	R 403 180,00
Fines	R 1,294,393.00	R 1 720 229,00	R 1 803 170,00	R 1 893 783,00
Rental of facilities	R 2,399,493.00	R 2 639 733,00	R 2 903 706,00	R 3 194 077,00
	R 466,673,462.00	R 500 482 583,00	R 535 716 778,00	R 589 819 772,00





1.4. Frequency Table of Cost Drivers by Source

Expenditure Source	by	Adjustment Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Electricity		R 151,556,129.00	R 173 137 722,00	R 197 792 533,00	R 225 958 190,00
Wages and Salaries	and	R 90,511,604.00	R 92 321 016,00	R 97 492 271,00	R 102 662 362,00
Contracted Services		R 38,937,812.00	R 41 022 760,00	R 40 114 012,00	R 42 240 054,00
Capital Projects		R 45,004,000.00	R 45 008 150,00	R 48 444 000,00	R 51 138 000,00
Depreciation		R 44,187,172.00	R 46 750 028,00	R 49 321 280,00	R 51 935 307,00
General Expenditure		R 45,206,242.00	R 37 476 582,00	R 36 663 402,00	R 37 995 159,00
Repairs and Maintenance	and	R 21,105,023.00	R 23 144 114,00	R 21 066 185,00	R 22 156 193,00
Third Parties		R 19,368,810.00	R 20 579 447,00	R 21 794 719,00	R 22 950 487,00
Remuneration of Councillors	of	R 7,935,039.00	R 8 395 271,00	R 8 857 011,00	R 9 326 433,00
Grants and Subsidies	and	R 8,128,795.00	R 8 600 265,00	R 9 073 280,00	R 9 554 164,00
Bad Debt		R 2,000,000.00	R 2 116 000,00	R 2 232 380,00	R 2 350 696,00
Interest		R 27,005,284.00	R 28 571 590,00	R 22 143 028,00	R 23 316 608,00
TOTAL		R 500,945,910.00	R 527 122 945,00	R 554 994 101,00	R 601 583 653,00

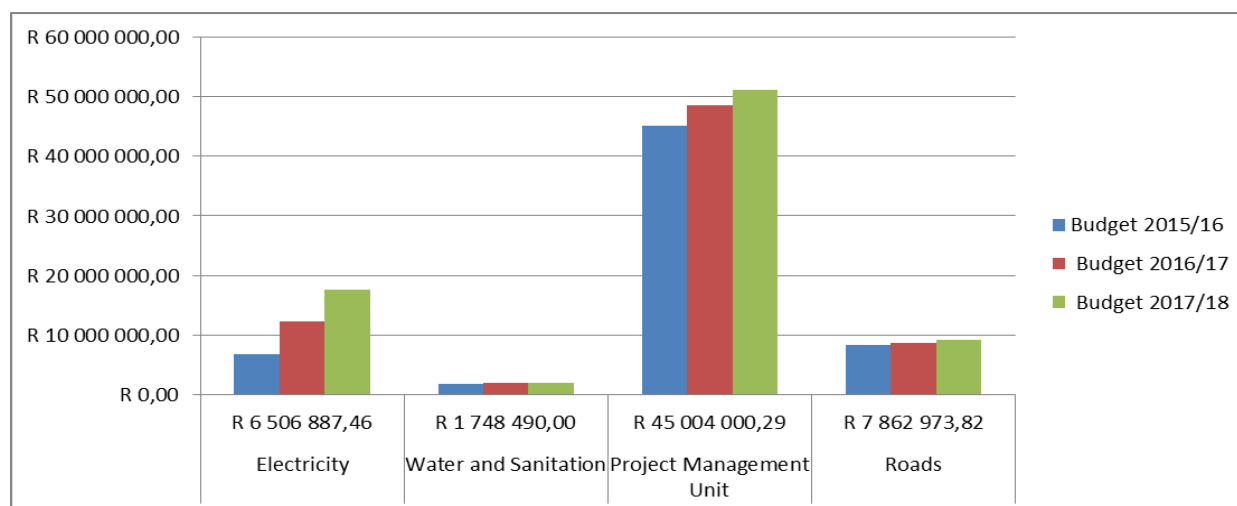




1.5. Capital Expenditure

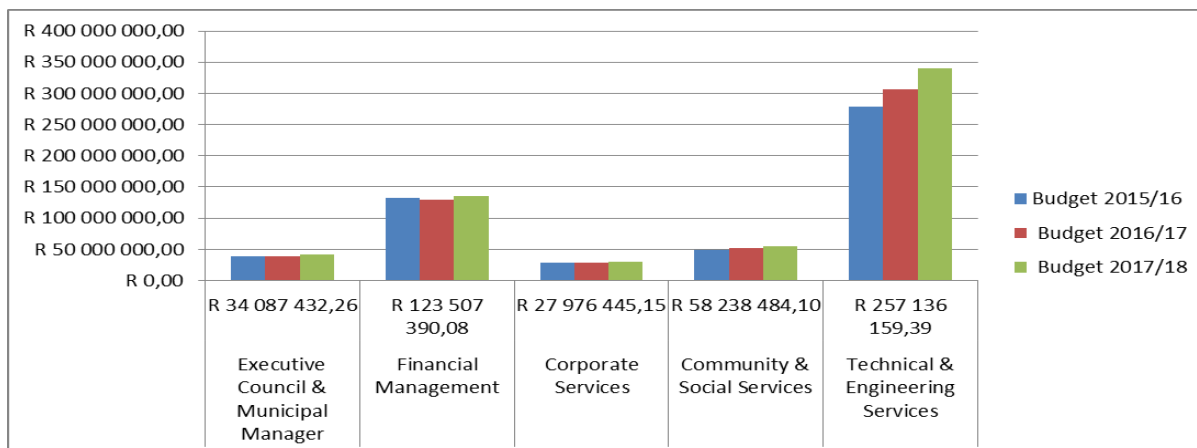
The table below indicates capital expenditure

Technical Department Capex	Adjustment Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Electricity	R 6 506 887,46	R 6 884 286,94	R 12 262 922,72	R 17 647 857,62
Water & Sanitation	R 1 748 490,00	R 1 849 902,42	R 1 951 647,05	R 2 055 084,35
Project Management Unit	R 45 004 000,29	R 45 008 150,00	R 48 444 000,00	R 51 138 000,00
Roads	R 7 862 973,82	R 8 319 026,30	R 8 776 572,74	R 9 241 731,10
TOTAL	R 61 122 351,57	R 62 061 365,65	R 71 435 142,52	R 80 082 673,07



1.6. Summary of Opex and Capex per department

	Adjustment Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Executive Council & Municipal Manager	R 34 087 432,26	R 38 193 366,11	R 39 133 898,91	R 41 208 696,77
Financial Management	R 123 507 390,08	R 132 589 861,30	R 128 810 903,67	R 135 640 881,56
Corporate Services	R 27 976 445,15	R 28 590 456,22	R 28 449 008,81	R 29 345 348,35
Community & Social Services	R 58 238 484,10	R 49 160 087,72	R 51 946 928,18	R 54 700 115,38
Technical & Engineering Services	R 257 136 159,39	R 278 589 174,80	R 306 653 362,55	R 340 688 611,26
TOTAL	R 500 945 910,98	R 527 122 946,14	R 554 994 102,13	R 601 583 653,31



1.7. Tariff Structure

THABA CHWEU LOCAL MUNICIPALITY					
1.TARIFFS FOR THE PROVISION OF ELECTRICITY 2015/2016					
Description	2014/2015 APPROVED		2015/2016 DRAFT		
RESIDENTIAL: HOUSES / FLATS (ALL TOWNS) CONVENTIONAL AND PREPAID CONSUMERS	-	-	-	-	-
UNIT COST PER KWH :	-	-	-	-	-
Energy Rate (c/kwh)(≤50kwh)	-	R0,7513	-	6,30%	R 0,7986
Energy Rate (c/kwh)(51-350kwh)	-	R0,9422	-	7,30%	R 1,0110
Energy Rate (c/kwh)(351-600kwh)	-	R1,2600	-	12,20%	R 1,4137
Energy Rate (c/kwh)(>600kwh)	-	R 1,4800	-	12,20%	R 1,6606
RESIDENTIAL: INDIGENT (ALL TOWNS)	-	-	-	-	-
All indigent will be on a 20Amp circuit breaker with a pre-paid meter.	-	-	-	-	-
UNIT COST PER KWH :	-	-	-	-	-
Energy Rate (c/kwh)(≤50kwh)	-	R0,7088	-	6,30%	R 0,7534
Energy Rate (c/kwh)(51-200kwh)	-	R0,7442	-	6,30%	R 0,7911
Energy Rate (c/kwh)(201-350kwh)	-	R0,9422	-	7,30%	R1,0110
Energy Rate (c/kwh)(351-600kwh)	-	R1,2600	-	12,20%	R1,4137
Energy Rate (c/kwh)(>600kwh)	-	R 1,4800	-	12,20%	R1,6606
Availability Charge: (per month)	-	-	-	-	-
An availability charge will be levied whether electricity is consumed or not, per connection per month or part thereof.	-	-	-	-	-
Single phase	-	R 40,00	-	12,20%	R 44,88
Three phase	-	R 55,00	-	12,20%	R 61,71
BUSINESS / RESIDENTIAL FOR BUSINESS(ALL TOWNS):	-	-	-	-	-



Flats : As per residential step tariff	-	-	-	-
A fixed charge will be levied whether electricity is consumed or not, per connection per month or part thereof.	-	-	-	-
-	UNIT CHARGE/M ONTH	FIXED CHARGE/MONTH	-	UNIT CHARGE/M ONTH
-	2014/2015	2014/2015	-	2015/2016
Up to 40A 1P (PRE-PAID METER ONLY)	R 0,9558	R 200,00	-	R 0,9777
41 to 60A 1P	R 0,9558	R 435,00	-	R 0,9777
61 to 80A 1P	R 0,9558	R 595,00	-	R 0,9777
Up to 60A 3P	R 0,9558	R 790,00	-	R 0,9777
61 to 80A 3P	R 0,9558	R 985,00	-	R 0,9777
-	UNIT CHARGE/M ONTH	FIXED CHARGE/MONTH	-	UNIT CHARGE/M ONTH
Above 80Amps convert to KVA	2014/2015	2014/2015	-	2015/2016
Maximum Demand (Low Voltage)	R 0,8386	R 2 070,00	-	R 0,8578
Maximum Demand (High Voltage)	R 0,8308	R 2 340,00	-	R 0,8499
KVA - per KVA (Low Voltage)	R 160,00	-	-	R 179,52
KVA - per KVA (High Voltage)	R 160,00	-	-	R 179,52
INDUSTRIAL (ALL TOWNS):	-	-	-	-
A fixed charge will be levied whether electricity is consumed or not, per connection per month or part thereof.	-	-	-	-
-	UNIT CHARGE/M ONTH	FIXED CHARGE/MONTH	-	UNIT CHARGE/M ONTH
-	2014/2015	2014/2015	-	2015/2016
Up to 80A 1P	R 0,8711	R 1 190,00	-	R 0,8911
Up to 60A 3P	R 0,8711	R 1 385,00	-	R 0,8911
61 to 80A 3P	R 0,8711	R 1 580,00	-	R 0,8911
-	UNIT CHARGE/M ONTH	FIXED CHARGE/MONTH	-	UNIT CHARGE/M ONTH
Above 80 Amp convert to KVA	2014/2015	2014/2015	-	2015/2016
Maximum Demand (Low Voltage)	R 0,7881	R 3 150,00	-	R 0,8061
Maximum Demand (High Voltage)	R 0,7770	R 3 625,00	-	R 0,7948
KVA - per KVA (Low Voltage)	R 165,00	-	-	R 185,13
KVA - per KVA (High Voltage)	R 165,00	-	-	R 185,13
Availability Charge: - per month	-	-	-	-
SCHOOLS/CRECHES/CHURCHES/H OSTELS(ALL TOWNS)	UNIT CHARGE/M ONTH	FIXED CHARGE/MONTH	-	UNIT CHARGE/M ONTH
-	2014/2015	2014/2015	-	2015/2016
Up to 80 Amp / 1 Phase - per unit	0,9558	R 200,00	-	R 0,9777
Up to 80 Amp / 3 Phase p/unit	0,9558	R 250,00	-	R 0,9777
Above 80Amp convert to KVA	-	-	-	-



Low Voltage - per unit	R 0,8386	R 1 745,00	-	R 0,8578	R 2 006,75
KVA - per KVA	R 155,00	-	-	R 173,91	-
MUNICIPAL BUILDINGS (ALL TOWNS)	-	-	-	-	-
Cost per unit	0,8711	-	-	R 0,9774	-
UNDEVELOPED STANDS	-	-	-	-	-
Availability Charge: - per month	R 800,00	R 880,00	-	R 800,00	R 880,00
ALL AVAILABILITY CHARGES WILL BE CHARGED AGAINST THE OWNERS ACCOUNT.					
ALL FIXED CHARGES WILL BE CHARGED AGAINST THE CONSUMERS ACCOUNT					
ALL TARIFFS EXCLUDING VAT					
Note:	-	-	-	-	-
Monthly consumption is based upon the period between monthly readings. Where a monthly reading cannot be taken for any reason, the consumption will be based on the average calculated from the three previous months consumption. When the meter is next read any estimation (over / under) will be automatically incorporated into the corrected bill.					

2.TARIFFS FOR THE PROVISION OF WATER				
-	Description	2014 / 2015	9,25%	2015 / 2016
2,1	RESIDENTIAL: HOUSES (ALL TOWNS)	-		-
-	For the first 6 kilolitres	R 0,00		R 0,00
-	From 7 kilolitres - 30 kilolitres	R 7,70	R 0,71	R 8,41
-	31 kilolitres and above	R 10,50	R 0,97	R 11,47
2,2	RESIDENTIAL: INDIGENT (ALL TOWNS)	-		-
-	For the first 10 kilolitres	R 0,00		R 0,00
-	From 11 kilolitres - 30 kilolitres	R 7,70	R 0,71	R 8,41
-	31 kilolitres and above	R 10,00	R 0,93	R 10,93
2,3	RESIDENTIAL FOR BUSINESS: GUESTHOUSES / FLATS / B & B / MULTIPLE USE PROP / ECT.(ALL TOWNS)	-		-
-	Cost per kl	R 7,90	R -	R 9,67
2,4	INSTITUTIONS: SCHOOLS / CRECHES / CHURCHES / HOSPITALS / NGO'S / GOVERNMENT / ECT.(ALL TOWNS)	-		-
-	Cost per kl	R 7,90	R 0,73	R 9,67
2,5	MUNICIPAL BUILDINGS (ALL TOWNS)	-		-
-	Cost per kl	R 7,70	R 0,71	R 9,67
2,6	BUSINESS / INDUSTRIAL / MINING ECT. (ALL TOWNS)	-		-
-	For the first 100 kilolitres	R 7,90	R 0,73	R 10,00
-	101 kilolitres and above	-		R 12,51
2,7	RAW WATER	-		-
-	Cost per kl	R 1,80	R 0,17	R 1,97
2,8	UNDEVELOPED STANDS	-		-
-	Availibility charge per month:	R 83,00	R 7,68	R 90,68
-	ALL AVAILIBLTY CHARGES WILL BE CHARGED AGAINST THE OWNERS ACCOUNT.			
-	ALL TARIFFS EXCLUDING VAT			-
-	Note:			-



-	<u>Monthly consumption is based upon the period between monthly readings. Where a monthly reading cannot be taken for any reason, the consumption will be based on the average calculated from the three pervious months consumption. When the meter is next read any estimation (over / under) will be automatically incorporated into the corrected bill.</u>
---	--

3. TARIFFS FOR THE PROVISION OF SEWERAGE

-	<u>Description</u>	<u>Tariff 2014 / 2015</u>	<u>9,25%</u>	<u>Tariff 2015 / 2016</u>
3,1	RESIDENTIAL: HOUSES	-		-
-	Availability Charge: - per month	R 80,00	R 7,40	R 87,72
3,2	INDIGENTS	-		-
-	Availability Charge: - per month	R 80,00	R 7,40	R 87,72
3,3	RESIDENTIAL FOR BUSINESS: GUESTHOUSES / FLATS / B & B / MULTIPLE USE PROP / ECT.(ALL TOWNS)	-		-
-	Availability charge - per month	-		94,74
3,4	INSTITUTIONS: SCHOOLS / CRECHES / CHURCHES / HOSPITALS / NGO'S / GOVERNMENT / ECT.(ALL TOWNS)	-	-	-
-	Availability Charge: - per month	R 85,00	R 7,86	R 94,74
3,5	MUNICIPAL BUILDINGS (ALL TOWNS)	-	-	-
-	Availability charge - per month	R 80,00	R 7,40	R -
3,6	BUSINESS / INDUSTRIAL / MINING ECT. (ALL TOWNS)	-		-
-	Availability Charge: - per month	R 90,00	R 8,33	R 100,88
3,7	UNDEVELOPED STANDS	-		-
-	Availability Charge: - per month	R 110,00	R 10,18	R 122,81
ALL AVAILIBLTY CHARGES WILL BE CHARGED AGAINST THE OWNERS ACCOUNT. ALL TARIFFS EXCLUDING VAT				

4. TARIFFS FOR THE PROVISION OF REFUSE REMOVAL

-	<u>Description</u>	<u>2014/2015</u>	<u>9,25%</u>	<u>2015/2016</u>
4,1	RESIDENTIAL: HOUSES (ALL TOWNS)	-		-
-	Availability charge per month	R 80,00	R 7,40	R 87,72
4,2	RESIDENSIAL : INDIGENT (ALL TOWNS)	-		-
-	Availability charge per month	R 80,00	R 7,40	R 87,72
-	IF REQUIRED MORE THAN ONCE A WEEK TARIFFS FOR BUSINESS WILL APPLY	-		-
-	ALL REFUSE WILL BE CHARGED AGAINST THE OWNERS ACCOUNT.	-		-
4,3	RESIDENTIAL FOR BUSINESS: GUESTHOUSES / FLATS / B & B / MULTIPLE USE PROP / ECT.(ALL TOWNS)	-		-
-	Availability charge per month	-		R 122,81
-	IF REQUIRED MORE THAN ONCE A WEEK TARIFFS FOR BUSINESS WILL APPLY	-		-



-	<u>ALL REFUSE WILL BE CHARGED AGAINST THE OWNERS ACCOUNT.</u>	-		-
4.4	<u>INSTITUTIONS: SCHOOLS / CRECHES / CHURCHES / HOSPITALS / NGO'S / GOVERNMENT / ECT.(ALL TOWNS)</u>	-		-
-	<u>1 X week</u>	<u>R 130,00</u>	<u>R 12,03</u>	<u>R 140,35</u>
-	<u>2 X week</u>	<u>R 261,00</u>	<u>R 24,14</u>	<u>R 285,09</u>
-	<u>3 X week</u>	<u>R 391,00</u>	<u>R 36,17</u>	<u>R 428,95</u>
4.4.1	<u>Mass Containers</u>	-		-
-	<u>1 X week</u>	<u>R 634,00</u>	<u>R 58,65</u>	<u>R 692,98</u>
-	<u>2 X week</u>	<u>R 1 268,00</u>	<u>R 117,29</u>	<u>R 1 385,09</u>
-	<u>3 X week</u>	<u>R 1 902,00</u>	<u>R 175,94</u>	<u>R 2 078,95</u>
-	<u>4 X week</u>	<u>R 2 536,00</u>	<u>R 234,58</u>	<u>R 2 770,58</u>
-	<u>5 X week</u>	<u>R 3 170,00</u>	<u>R 293,23</u>	<u>R 3 463,23</u>
-	<u>REFUSE WILL BE CHARGED AGAINST THE CONSUMERS ACCOUNT.</u>	-		-
4.5	<u>MUNICIPAL BUILDINGS (ALL TOWNS)</u>	-		-
	<u>per month</u>	<u>R 80,00</u>		<u>R -</u>
4.6	<u>BUSINESS / INDUSTRIAL / MINING ECT. (ALL TOWNS)</u>	-		-
-	<u>1 X week</u>	<u>R 130,00</u>	<u>R 12,03</u>	<u>R 140,35</u>
-	<u>2 X week</u>	<u>R 261,00</u>	<u>R 24,14</u>	<u>R 285,09</u>
-	<u>3 X week</u>	<u>R 391,00</u>	<u>R 36,17</u>	<u>R 428,95</u>
4.6.1	<u>Mass Containers</u>	-		-
-	<u>1 X week</u>	<u>R 634,00</u>	<u>R 58,65</u>	<u>R 692,98</u>
-	<u>2 X week</u>	<u>R 1 268,00</u>	<u>R 117,29</u>	<u>R 1 385,09</u>
-	<u>3 X week</u>	<u>R 1 902,00</u>	<u>R 175,94</u>	<u>R 2 078,95</u>
-	<u>4 X week</u>	<u>R 2 536,00</u>	<u>R 234,58</u>	<u>R 2 770,58</u>
-	<u>5 X week</u>	<u>R 3 170,00</u>	<u>R 293,23</u>	<u>R 3 463,23</u>
-	<u>REFUSE WILL BE CHARGED AGAINST THE CONSUMERS ACCOUNT.</u>	-		-
4.7	<u>UNDEVELOPED STANDS</u>	-		-
-	<u>Availability charge per month</u>	-		<u>140,35</u>
<u>ALL REFUSE WILL BE CHARGED AGAINST THE OWNERS ACCOUNT.</u> <u>ALL TARIFFS EXCLUDE VAT</u>				



1.8. Council Resolution

ITEM

MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (DRAFT ANNUAL BUDGET)

Finance Portfolio Committee Meeting : 20 March 2015

Mayoral Committee Meeting : 25 March 2015

Ordinary Council Meeting : 31 March 2015

REPORT OF THE ACTING MUNICIPAL MANAGER

1. PURPOSE

The purpose of the report is to table the annual budget, tariffs, changes to the Integrated Development Plan and Budget related policies 2015/16 financial year.

2. BACKGROUND

In Section 16, 24 and 53 of the Local Government: Municipal Finance Management Act (MFMA), No. 56 of 2003 read together with Section 34 of the Municipal Systems Act (MSA) 2000 as amended prescribes that a municipal Council must approve its annual budget, tariffs, changes to the Integrated Development Plan and Budget related policies by council resolution annually.

3. MOTIVATION

To inform the honorable executive mayor, speaker, mayoral committee and ordinary council members of the Medium Term Revenue and Expenditure Framework (Annual budget 2015/16)

4. STAKE HOLDERS CONSULTED

National Treasury
Mpumalanga Department of Finance (Provincial Treasury)
Mpumalanga Department of Co-operative Governance
Ehlanzeni District Municipality

5. HUMAN RESOURCE IMPLICATIONS

None

6. LEGAL IMPLICATIONS

In terms of the MFMA/MSA



7. FINANCIAL IMPLICATION

That council takes note of the Deficit of R26 640 000.00 for the 2015/16 financial year

That council takes note of the Deficit of R19 277 000.00 for the 2016/17 financial year

That council takes note of the Deficit of R11 764 000.00 for the 2017/18 financial year

8. POLICY COMPLIANCE

IDP/Budget process plan 2015/16

9. LEGISLATIVE REQUIREMENTS

MFMA section 16, 24 and 53

MSA section 34

RECOMMENDATIONS OF THE ACTING MUNICIPAL MANAGER

- That the Draft Annual Budget be adopted by council
- That a copy of the Draft Annual Budget be submitted to National Treasury and Provincial Treasury
- That the revenue enhancement strategy be revised
- That a copy of the Draft IDP document be submitted to the office MEC for Co-operative Governance and Traditional Affairs for comments within 10 days of its adoption as stipulated by the legislation – section 32 (l) (a) of the Systems Act, 2000.
- That the Draft Tariff Structure be adopted by council
- That the following Draft Budget Related Policies be adopted by council:
 - a. Draft Assets management policy
 - b. Draft Virement policy
 - c. Draft Budget Policy
 - d. Draft Investment policy
 - e. Draft Creditors Payment policy
 - f. Draft out of pocket Reimbursement policy
 - g. Draft unauthorised Irregular fruitless and wasteful expenditure Policy
 - h. Draft DRP Methodology
 - i. Draft Change Management
 - j. Draft Disaster Recovery
 - k. Draft Acceptable use
 - l. Draft Account Management
 - m. Draft Anti Virus



- n. Draft Approved Software
 - o. Draft Back up and Restore
 - p. Draft Email Access
 - q. Draft Email Security
 - r. Draft Governance Framework
 - s. Draft ICT Strategy
 - t. Draft information security
 - u. Draft Internet Access
 - v. Draft User Password
 - w. Draft Supply Chain Management Policy
 - x. Draft Credit Control and Debt Collection policy
 - y. Draft Cash receipt and banking policy
 - z. Draft cashiers manual
 - aa. Draft Indigent Policy
 - bb. Draft Tariffs Policy
 - cc. Draft Rates Policy
 - dd. Draft Customer Care and Revenue By-Law
 - ee. Draft Debt reduction – payment incentive scheme policy
- That the Draft Integrated Development Plan be adopted by council
 - That the Draft IDP and Budget policies be taken for public participation



PART 2 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015/2016 (A1 SCHEDULE)

MP321 Thaba Chweu - Table A1 Budget Summary

Mayor's Budget Summary										
Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	34 817	30 293	34 082	60 329	112 350	112 350	–	112 217	115 584	119 051
Service charges	114 599	138 972	158 071	192 052	188 553	188 553	–	203 806	217 631	232 500
Investment revenue	–	3 274	1 112	1 500	339	339	–	359	380	403
Transfers recognised - operational	27 965	116 991	78 181	94 676	94 737	94 737	–	108 716	122 275	137 804
Other own revenue	27 581	13 292	44 832	33 802	25 691	25 691	–	28 737	30 157	49 096
Total Revenue (excluding capital transfers and contributions)	204 962	302 822	316 278	382 359	421 670	421 670	–	453 835	486 028	538 855
Employee costs	85 973	97 476	109 418	101 342	109 880	109 880	–	113 715	120 147	126 518
Remuneration of councillors	7 262	7 176	7 428	8 167	7 935	7 935	–	8 395	8 857	9 326
Depreciation & asset impairment	53 606	44 187	33 077	44 187	44 187	44 187	–	46 750	49 321	51 935
Finance charges	1 564	12 129	23 681	600	27 005	27 005	–	27 757	21 283	22 411
Materials and bulk purchases	93 307	109 215	115 402	172 896	151 556	151 556	–	173 138	197 793	225 958
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	101 017	184 695	181 840	144 786	107 249	107 249	–	112 197	107 736	114 297
Total Expenditure	342 729	454 878	470 846	471 978	447 812	447 812	–	481 953	505 137	550 446
Surplus/(Deficit)	(137 767)	(152 056)	(154 568)	(89 619)	(26 142)	(26 142)	–	(28 117)	(19 110)	(11 591)
Transfers recognised - capital	67 196	–	55 422	46 004	45 004	45 004	–	46 647	48 444	51 138
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	–	18 530	29 334	39 547
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	–	18 530	29 334	39 547
Capital expenditure & funds sources										
Capital expenditure	7 871	–	–	46 005	46 005	46 005	–	59 960	3 910	–
Transfers recognised - capital	7 871	–	–	46 004	46 005	46 005	–	45 008	3 910	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	14 952	–	–
Total sources of capital funds	7 871	–	–	46 004	46 005	46 005	–	59 960	3 910	–
Financial position										
Total current assets	60 670	86 607	119 584	163 962	197 205	197 205	–	197 207	208 053	219 080
Total non current assets	1 120 269	999 244	1 383 525	1 011 583	1 360 659	1 360 659	–	1 361 709	1 436 603	1 512 743
Total current liabilities	179 843	248 026	310 445	431 048	491 031	491 031	–	430 763	438 789	462 045
Total non current liabilities	9 252	8 600	–	9 825	25 855	25 855	–	25 856	27 278	28 724
Community wealth/Equity	991 844	829 226	1 108 571	734 140	1 081 506	1 081 506	–	1 102 297	1 178 589	1 241 054
Cash flows										
Net cash from (used) operating	196	(12 581)	56 342	29 307	(22 831)	(22 831)	(6 205)	55 664	66 077	54 812
Net cash from (used) investing	–	17 470	(43 255)	–	–	–	–	(59 960)	(48 444)	(51 138)
Net cash from (used) financing	–	–	(9 175)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	7 051	2 978	4 886	38 268	(17 948)	(17 948)	(6 205)	704	18 337	22 011
Cash backing/surplus reconciliation										
Cash and investments available	33 177	50 713	6 481	21 232	499 684	499 684	–	9 354	9 869	10 392
Application of cash and investments	(29 281)	267 569	273 597	281 680	290 399	290 399	–	180 869	190 608	210 941
Balance - surplus (shortfall)	62 458	(216 856)	(267 116)	(260 448)	209 285	209 285	–	(171 514)	(180 739)	(200 549)
Asset management										
Asset register summary (WDV)	–	497	–	–	–	–	490 330	490 330	517 298	544 715
Depreciation & asset impairment	53 606	44 187	33 077	44 187	44 187	44 187	46 750	46 750	49 321	51 935
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–



MP321 Thaba Chweu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		137 972	134 907	165 588	319 994	217 601	217 601	252 170	275 326	353 356
Executive and council		81 572	67 711	83 128	92 142	92 081	92 081	106 111	114 508	124 626
Budget and treasury office		55 658	34 007	41 739	69 416	123 278	123 278	76 186	79 167	129 046
Corporate services		742	33 189	40 721	158 436	2 241	2 241	69 872	81 651	99 683
<i>Community and public safety</i>		365	1 968	2 415	3 384	1 021	959	256	281	308
Community and social services		125	151	196	110	157	157	159	174	191
Sport and recreation		240	91	108	106	48	48	28	31	34
Public safety		-	-	-	1 349	754	754	-	-	-
Housing		-	1 726	2 111	1 819	62	-	69	75	83
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19 221	22 833	28 023	68 978	58 697	58 697	62 038	61 745	61 197
Planning and development		218	606	732	45 527	58 697	58 697	46 861	45 240	45 241
Road transport		19 003	22 227	27 291	23 451	-	-	15 177	16 505	15 956
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		114 599	143 114	218 159	47 569	189 355	189 355	186 019	198 365	174 959
Electricity		77 504	126 368	155 095	146	136 542	136 542	144 171	156 533	131 380
Water		24 704	-	42 486	25 747	29 920	29 920	29 516	31 246	30 229
Waste water management		3 818	7 873	9 676	10 113	10 794	10 794	12 332	10 586	13 350
Waste management		8 573	8 873	10 902	11 563	12 099	12 099	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	272 157	302 822	414 185	439 925	466 673	466 611	500 483	535 717	589 820
Expenditure - Standard										
<i>Governance and administration</i>		176 285	199 834	205 487	127 283	182 937	182 937	266 550	284 898	303 969
Executive and council		34 529	39 141	40 059	25 907	29 090	29 090	113 481	125 495	136 726
Budget and treasury office		96 831	109 766	113 007	80 067	121 928	121 928	128 000	124 014	130 590
Corporate services		44 925	50 926	52 421	21 309	31 919	31 919	25 069	35 389	36 653
<i>Community and public safety</i>		19 516	22 123	22 794	37 301	37 880	37 880	32 058	51 825	35 617
Community and social services		4 128	4 680	4 871	3 983	4 756	4 756	4 774	5 036	5 303
Sport and recreation		8 407	9 530	9 792	8 643	13 479	13 479	6 229	24 575	6 923
Public safety		3 565	4 042	4 143	20 319	17 190	17 190	18 126	19 123	20 136
Housing		2 515	2 851	2 919	3 974	2 068	2 068	2 187	2 308	2 430
Health		901	1 021	1 069	382	386	386	742	783	825
<i>Economic and environmental services</i>		29 687	33 653	34 647	39 133	30 743	30 743	23 542	29 920	31 485
Planning and development		6 493	7 360	7 582	10 990	19 119	19 119	8 722	14 285	15 022
Road transport		22 819	25 867	26 633	27 654	11 624	11 624	14 820	15 635	16 463
Environmental protection		375	425	432	489	-	-	-	-	-
<i>Trading services</i>		149 825	169 414	174 409	223 585	204 383	204 383	204 970	188 349	230 509
Electricity		113 720	128 911	132 537	183 789	165 501	165 501	165 778	145 123	169 378
Water		14 862	16 848	17 356	14 394	21 018	21 018	23 948	25 033	41 974
Waste water management		6 906	7 828	8 074	5 265	3 671	3 671	3 732	3 938	4 146
Waste management		14 337	15 827	16 442	20 137	14 193	14 193	11 512	14 255	15 011
<i>Other</i>	4	-	-	-	-	-	-	3	3	3
Total Expenditure - Standard	3	375 315	425 025	437 337	427 302	455 942	455 942	527 123	554 994	601 584
Surplus/(Deficit) for the year		(103 158)	(122 203)	(23 152)	12 623	10 731	10 669	(26 640)	(19 277)	(11 764)



MP321 Thaba Chweu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote		1									
Vote 1 - Municipal Manager			27 967	-	-	-	-	-	-	-	-
Vote 2 - Executive Council			53 605	64 344	73 184	92 142	92 142	92 142	106 111	114 508	124 626
Vote 3 - Finance Services Department			55 527	67 765	75 906	70 350	78 231	78 231	125 609	130 124	135 079
Vote 4 - Corporate Services Department			871	666	731	1 779	1 983	1 983	2 647	2 911	17 861
Vote 5 - Social Development Services Department			366	260	264	177	197	197	182	199	218
Vote 6 - Social Development Services Department			27 795	28 509	13 608	36 402	40 568	40 568	32 919	35 888	39 132
Vote 7 - Engineering Services			77 504	107 144	172 896	191 652	213 588	213 588	144 681	158 091	171 990
Vote 8 - Engineering Services			28 522	34 133	35 110	35 860	39 964	39 964	41 848	45 719	49 948
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	272 157	302 822	371 699	428 362	466 673	466 673	453 998	487 440	538 854
Expenditure by Vote to be appropriated		1									
Vote 1 - Municipal Manager			36 764	41 675	42 881	8 240	8 783	8 783	13 296	13 501	14 217
Vote 2 - Executive Council			21 690	24 587	25 299	16 503	17 589	17 589	24 394	25 679	26 992
Vote 3 - Finance Services Department			179 050	202 967	208 844	83 599	89 100	89 100	132 547	128 811	135 641
Vote 4 - Corporate Services Department			22 653	25 679	26 422	17 762	18 931	18 931	28 129	28 067	28 943
Vote 5 - Social Development Services Department			7 678	8 704	8 956	8 748	9 323	9 323	7 925	8 365	8 808
Vote 6 - Social Development Services Department			45 122	51 149	52 630	68 782	73 309	73 309	41 307	43 579	46 669
Vote 7 - Engineering Services			32 041	36 321	37 373	202 189	215 494	215 494	195 806	216 439	245 325
Vote 8 - Engineering Services			30 319	34 369	35 364	21 967	23 412	23 412	38 710	42 110	43 851
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	375 317	425 450	437 769	427 790	455 942	455 942	482 115	506 550	550 445
Surplus/(Deficit) for the year		2	(103 160)	(122 628)	(66 070)	573	10 732	10 732	(28 117)	(19 110)	(11 591)



MP321 Thaba Chweu - Table A4 Budgeted Financial Performance (revenue and expenditure)

M1 021: Maba Onwed - Table A4 Budgeted Financial Performance (Revenue and Expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	34 817	30 293	34 082	60 329	112 350	112 350	-	112 217	115 584	119 051
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	77 504	97 957	100 943	155 618	47 138	134 012	-	144 171	152 533	161 380
Service charges - water revenue	2	24 704	24 355	34 082	16 693	47 138	31 832	-	29 433	32 155	35 130
Service charges - sanitation revenue	2	3 818	8 096	14 659	9 656	47 138	10 517	-	12 332	13 419	14 661
Service charges - refuse revenue	2	8 573	8 564	8 387	10 084	47 138	12 192	-	17 737	19 378	21 170
Service charges - other							-	-	133	146	159
Rental of facilities and equipment		567	-	-	-		-	-	2 640	2 904	3 194
Interest earned - external investments		-	3 274	1 112	1 500	339	339	-	359	380	403
Interest earned - outstanding debtors		6 238	-		-		-	-	8 712	9 750	10 652
Dividends received		-	-				-	-			
Fines		901	-	-	-		-	-	1 720	1 803	1 894
Licences and permits		-	-				-	-			
Agency services		7 414	-	-	-		-	-	14 353	1 568	17 132
Transfers recognised - operational		27 965	116 991	78 181	94 676	94 737	94 737	-	108 716	122 275	137 804
Other revenue	2	12 461	13 292	44 832	33 802	25 691	25 691	-	1 311	14 132	16 225
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		204 962	302 822	316 278	382 359	421 670	421 670	-	453 835	486 028	538 855
Expenditure By Type											
Employee related costs	2	85 973	97 476	109 418	101 342	109 880	109 880	-	113 715	120 147	126 518
Remuneration of councillors		7 262	7 176	7 428	8 167	7 935	7 935	-	8 395	8 857	9 326
Debt impairment	3	-	44 187	33 077	44 187	-	-	-	2 116	2 232	2 351
Depreciation & asset impairment	2	53 606	44 187	33 077	44 187	44 187	44 187	-	46 750	49 321	51 935
Finance charges		1 564	12 129	23 681	600	27 005	27 005	-	27 757	21 283	22 411
Bulk purchases	2	93 307	109 215	-	172 896	151 556	151 556	-	173 138	197 793	225 958
Other materials	8		-	115 402				-			
Contracted services		30 766	-	-	-	-	-	-	41 114	40 211	42 342
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	70 251	140 508	148 763	100 599	107 249	107 249	-	68 967	65 293	69 604
Loss on disposal of PPE											
Total Expenditure		342 729	454 878	470 846	471 978	447 812	447 812	-	481 953	505 137	550 446
Surplus/(Deficit)											
		(137 767)	(152 056)	(154 568)	(89 619)	(26 142)	(26 142)	-	(28 117)	(19 110)	(11 591)
Transfers recognised - capital		67 196		55 422	46 004	45 004	45 004	-	46 647	48 444	51 138
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	-	18 530	29 334	39 547
Taxation											
Surplus/(Deficit) after taxation		(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	-	18 530	29 334	39 547
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	-	18 530	29 334	39 547
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(70 571)	(152 056)	(99 146)	(43 615)	18 862	18 862	-	18 530	29 334	39 547



MP321 Thaba Chweu - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		960	2 363	4 885	20 175	9 354	9 354	-	9 354	9 869	10 392
Call investment deposits	1	25 728	47 293	-	-	-	-	-	-	-	-
Consumer debtors	1	27 560	24 389	68 765	102 633	185 564	185 564	-	78 732	83 062	87 464
Other debtors		1 840	-	42 133	28 592	856	856	-	107 689	113 612	119 633
Current portion of long-term receivables				-			-	-	-	-	-
Inventory	2	4 582	12 562	3 801	12 562	1 431	1 431	-	1 432	1 510	1 590
Total current assets		60 670	86 607	119 584	163 962	197 205	197 205	-	197 207	208 053	219 080
Non current assets											
Long-term receivables											
Investments		9 361	1 057	1 596	1 057	490 330	490 330	-			
Investment property			-		-	-	-	-	490 330	517 298	544 715
Investment in Associate			-						-	-	-
Property, plant and equipment	3	1 110 908	997 690	1 381 929	1 010 526	870 329	870 329	-	871 379	919 305	968 028
Agricultural		-	-						-	-	-
Biological		-	-						-	-	-
Intangible			497	-					-	-	-
Other non-current assets			-						-	-	-
Total non current assets		1 120 269	999 244	1 383 525	1 011 583	1 360 659	1 360 659	-	1 361 709	1 436 603	1 512 743
TOTAL ASSETS		1 180 939	1 085 851	1 503 109	1 175 545	1 557 864	1 557 864	-	1 558 916	1 644 656	1 731 823
LIABILITIES											
Current liabilities											
Bank overdraft	1	2 872	-						-	-	-
Borrowing	4	507	-	-	-	-	-	-	9 860	10 402	10 954
Consumer deposits		3 789	3 890	4 309	3 889	4 393	4 393	-	4 393	4 635	4 881
Trade and other payables	4	159 378	267 569	348 182	402 519	445 808	445 808	-	400 319	406 672	428 225
Provisions		13 297	(23 433)	(42 046)	24 640	40 830	40 830	-	16 190	17 080	17 986
Total current liabilities		179 843	248 026	310 445	431 048	491 031	491 031	-	430 763	438 789	462 045
Non current liabilities											
Borrowing		9 252	8 600	-	8 559	-	-	-	-	-	-
Provisions		-	-	-	1 266	25 855	25 855	-	25 856	27 278	28 724
Total non current liabilities		9 252	8 600	-	9 825	25 855	25 855	-	25 856	27 278	28 724
TOTAL LIABILITIES		189 095	256 626	310 445	440 873	516 886	516 886	-	456 618	466 067	490 769
NET ASSETS	5	991 844	829 225	1 192 664	734 672	1 040 978	1 040 978	-	1 102 297	1 178 589	1 241 054
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		991 844	829 226			1 081 506	1 081 506	-	1 102 297	1 178 589	1 241 054
Reserves	4	-	-	1 108 571	734 140	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	991 844	829 226	1 108 571	734 140	1 081 506	1 081 506	-	1 102 297	1 178 589	1 241 054



MP321 Thaba Chweu - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		176 281	–	159 386	263 533	201 263	201 263	140 943	38 072	40 166	42 295
Service charges		–	–	–	–	–	–	–	279 169	294 523	310 133
Other revenue		–	–	–	–	–	–	–	61 145	64 508	67 927
Government - operating	1	96 562	–	133 603	94 676	94 676	94 676	70 169	108 716	122 275	137 804
Government - capital	1	–	–	–	46 004	45 004	45 004	16 271	46 647	48 444	51 138
Interest		6 238	3 273	1 112	6 698	13 396	13 396	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(277 272)	(3 725)	(214 078)	(381 004)	(354 423)	(354 423)	(225 837)	(455 964)	(501 572)	(552 007)
Finance charges		(1 613)	(12 129)	(23 681)	(600)	(22 747)	(22 747)	(7 751)	(22 120)	(2 267)	(2 477)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		196	(12 581)	56 342	29 307	(22 831)	(22 831)	(6 205)	55 664	66 077	54 812
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	17 470	(43 255)	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	–	–	–	–	(59 960)	(48 444)	(51 138)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	17 470	(43 255)	–	–	–	–	(59 960)	(48 444)	(51 138)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	(9 175)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(9 175)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		196	4 889	3 912	29 307	(22 831)	(22 831)	(6 205)	(4 296)	17 633	3 674
Cash/cash equivalents at the year begin:	2	6 855	(1 911)	974	8 961	4 883	4 883	–	5 000	704	18 337
Cash/cash equivalents at the year end:	2	7 051	2 978	4 886	38 268	(17 948)	(17 948)	(6 205)	704	18 337	22 011

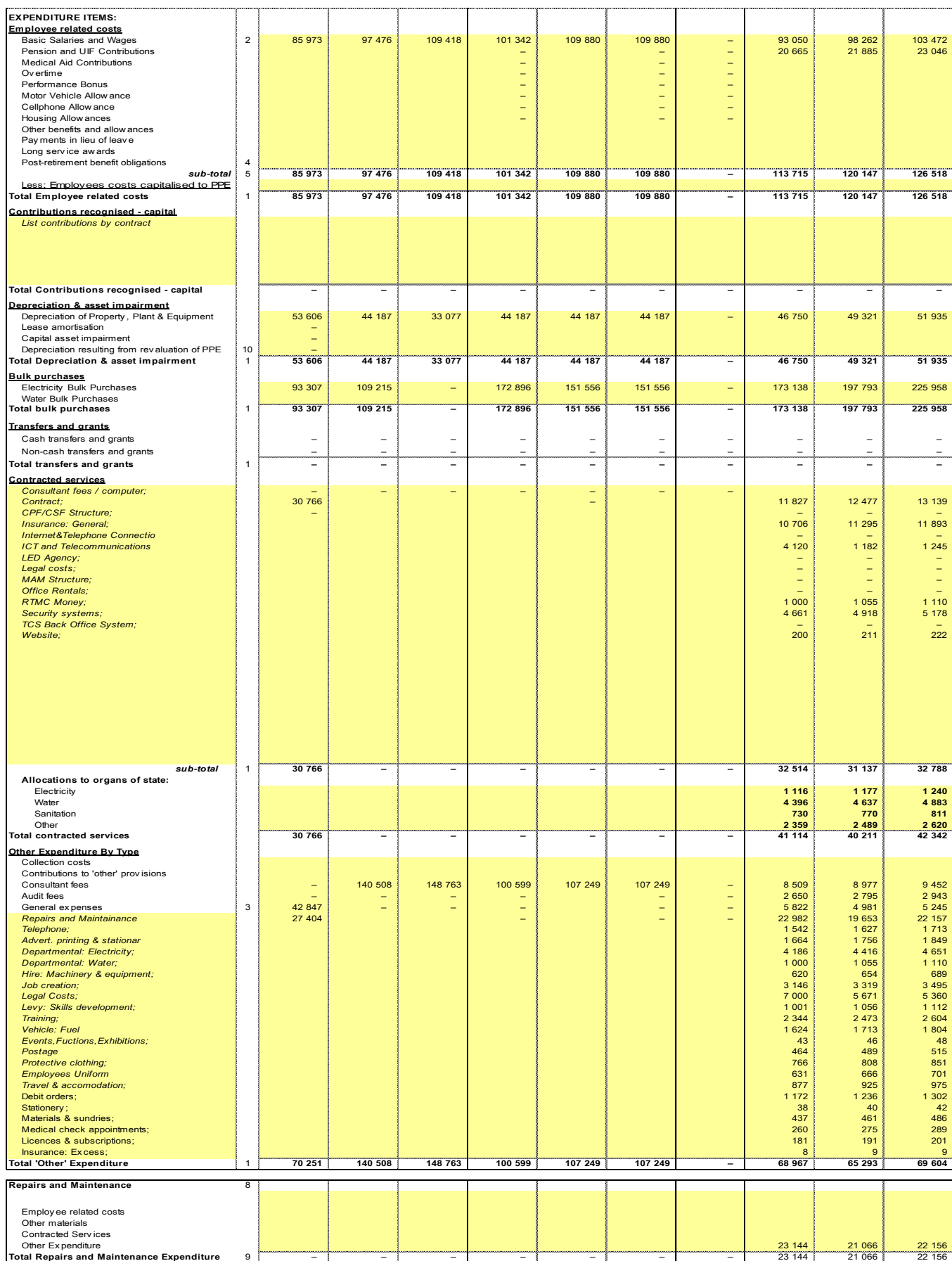


8. MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015/2016 (SUPPORTING SCHEDULES)

8.1 Budget Financial Performance

MP321 Thaba Chweu - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		34 817	30 293	34 082	60 329	112 350	112 350		113 724	117 136	120 650
less Revenue Foregone									1 507	1 552	1 599
Net Property Rates		34 817	30 293	34 082	60 329	112 350	112 350	-	112 217	115 584	119 051
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		77 504	97 957	100 943	157 655	47 138	134 012		144 173	152 535	161 382
less Revenue Foregone					2 038				1	1	1
Net Service charges - electricity revenue		77 504	97 957	100 943	155 618	47 138	134 012	-	144 171	152 533	161 380
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		24 704	24 355	34 082	19 663	47 138	31 832		33 830	36 959	40 378
less Revenue Foregone					2 970				4 397	4 804	5 249
Net Service charges - water revenue		24 704	24 355	34 082	16 693	47 138	31 832	-	29 433	32 155	35 130
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		3 818	8 096	14 659	9 676	47 138	10 517		12 332	13 419	14 661
less Revenue Foregone					20						
Net Service charges - sanitation revenue		3 818	8 096	14 659	9 656	47 138	10 517	-	12 332	13 419	14 661
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		8 573	8 564	8 387	10 092	47 138	12 192	-	17 737	19 378	21 170
Total landfill revenue											
less Revenue Foregone					8						
Net Service charges - refuse revenue		8 573	8 564	8 387	10 084	47 138	12 192	-	17 737	19 378	21 170
<u>Other Revenue by source</u>											
List other revenue by source					-		-	-	1 311	14 132	16 225
	3	12 461	13 292	44 832	33 802	25 691	25 691		-		
Total 'Other' Revenue	1	12 461	13 292	44 832	33 802	25 691	25 691	-	1 311	14 132	16 225





PART 3 MUNICIPAL MANAGER
DRAFT BUDGET QUALITY
CERTIFICATE



THABA CHWEU

Lydenburg Head Office:

Tel: 013 235 7300

Fax: 013 235 1108

Sabie Unit:

Tel: 013 235 7444

Fax: 013 764 1077

Graskop Unit:

Tel: 013 757 7448

Fax: 013 767 1811

www.thabachweu.gov.za



24 Hours Emergency no:

Tel: 013 235 1788

013 235 7370

Toll free: 0800 007 222

PO Box 61

Lydenburg 1120

Cnr. Vijoan & Sentraal Streets

All Correspondence to be directed
to the Municipal Manager

LOCAL MUNICIPALITY

OFFICE OF THE ACTING MUNICIPAL MANAGER

DRAFT ANNUAL BUDGET 2015/16 QUALITY CERTIFICATE

Municipal Manager Quality Certification

I Mr. SD Maebela in my capacity as Acting Municipal Manager of Thaba Chweu Local Municipality confirm that the 2015/16 draft budget has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

MR SD MAEBELA
ACTING MUNICIPAL MANAGER
DATE 31/10/2015